

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF WISCONSIN  
AT LAW AND IN ADMIRALTY

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UNITED STATES OF AMERICA,

Plaintiff,

v.

Case No.

APPROXIMATELY \$106,000 IN UNITED  
STATES CURRENCY FROM BANK OF  
AMERICA ACCOUNT ENDING IN 5359,

Defendant.

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**VERIFIED COMPLAINT FOR CIVIL FORFEITURE IN REM**

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The United States of America, by its attorneys, Matthew D. Krueger, United States Attorney for the Eastern District of Wisconsin, and Scott J. Campbell, Assistant United States Attorney for this district, alleges the following in accordance with Supplemental Rule G(2) of the Federal Rules of Civil Procedure:

**Nature of the Action**

1. This is a civil action to forfeit property to the United States of America, under Title 18, United States Code, Sections 981(a)(1)(C) and 984, including cross-references to Title 18, United States Code, Sections 1956(c)(7) and 1961(1), for violations of Title 18, United States Code, Section 1343.

**The Defendant In Rem**

2. The defendant approximately \$106,000 in United States currency was seized on or about December 3, 2019, when the United States Secret Service received a cashier's check in

that amount from Bank of America, following the Secret Service's execution of seizure warrant #19-951M, on the bank, on November 13, 2019.

3. United States Magistrate Judge Nancy Joseph of the Eastern District of Wisconsin had issued that warrant on November 8, 2019. The warrant authorized the seizure of up to \$106,000 from Bank of America account ending in 5359, held in the name of a business having the initials S.G. LLC.

4. The defendant property was seized in Milwaukee, Wisconsin, and is presently in the custody of the United States Secret Service in Washington D.C.

### **Jurisdiction and Venue**

5. This Court has subject matter jurisdiction over an action commenced by the United States under 28 U.S.C. § 1345, and over an action for forfeiture under 28 U.S.C. § 1355(a).

6. This Court has *in rem* jurisdiction over the defendant property under 28 U.S.C. § 1355(b).

7. Venue is proper in this district under 28 U.S.C. § 1355(b)(1) because the acts or omissions giving rise to the forfeiture occurred, in part, in this district.

### **Basis for Forfeiture**

8. The defendant property is subject to forfeiture under Title 18, United States Code, Sections 981(a)(1)(C) and 984, because it constitutes or was derived from proceeds traceable to an offense constituting "specified unlawful activity" – as defined in Title 18, United States Code, Section 1956(c)(7), with reference to Title 18, United States Code, Section 1961(1) – namely, wire fraud, committed in violation of Title 18, United States Code, Section 1343.

## **Facts**

### **Background**

9. One common financial fraud scheme is known as a Business Email Compromise (“BEC”) fraud scheme. In a BEC scheme, a fraudster gains unauthorized access to, or spoofs, the email address belonging to a customer or vendor of a business. The fraudster then sends an electronic communication—on the false pretense that the fraudster is the business’s legitimate vendor or customer—instructing the business or one or more of its vendors, customers, or financial institutions to wire money to a bank account controlled by the fraudster or to a financial institution or vendor with which the fraudster does business.

### **Opening of Bank of America account ending in 5359**

10. Bank of America account ending in 5359 (“BOA 5359”) was opened in the name of a business having the initials S.G. LLC and an individual having the initials P.S.

### **June 26, 2019 wire transfer of \$106,000 into BOA 5359 from a victim business having the initials GEH**

11. During May and June 2019, an individual now known to be J.C. perpetrated a BEC fraud scheme on a victim business, which has the initials GEH and is located in the Eastern District of Wisconsin.

12. The fraudster caused GEH to wire \$106,000 into BOA 5359, as set forth below.

13. The fraudster impersonated an individual having the initials T.H.—an account manager of a legitimate business having the initials A.M., which is a vendor of medical equipment—by using a spoofed email address: txx.hxxxxxxx@axxxx-mxxxxxx.com.

14. The fraudster also impersonated Dr. F.D.—an actual medical service provider—and claimed to be seeking financing to purchase medical equipment through A.M.

15. The fraudster impersonating Dr. F.D. completed a bogus financing application to purchase medical equipment from A.M. in the amount of \$106,000. The fraudster then submitted the fake A.M. invoice to GEH in order to obtain financing from GEH on false and fraudulent pretenses. The invoice listed T.H. as A.M.'s account manager.

16. The fraudster then sent emails using the spoofed email address txx.hxxxxxxx@axxxx-mxxxxxx.com to an individual having the initials A.D., who works in Transaction Support for GEH. The fraudster falsely and fraudulently provided ACH/Wire Payment instructions and requested that payment to A.M. for the medical equipment be wire transferred to BOA 5359.

17. On June 26, 2019, at the direction of the fraudster, GEH, from the Eastern District of Wisconsin, caused a wire transfer of \$106,000 to be made from its Deutsche Bank account into BOA 5359.

18. In July 2019, Office Manager C.O., who works for the actual Dr. F.D., received a copy of the GEH invoice. C.O. contacted GEH and stated that their office never requested the financing or medical equipment.

19. GEH then contacted the actual T.H., account manager for A.M., the vendor of medical equipment. T.H. stated that his name and company had been used in similar fraud schemes.

20. Thus, as set forth above, GEH was the victim of a business email compromise fraud scam.

21. In addition, the \$106,000 that GEH wire transferred into BOA 5359 on June 26, 2019, constituted proceeds of that fraud scam.

22. The defendant property consists of, or is traceable to, GEH's June 26, 2019 wire transfer of \$106,000 into BOA 5359.

23. BOA 5359 is an account held by a third-party gold broker from which J.C. bought gold.

### **Warrant for Arrest In Rem**

24. Upon the filing of this complaint, the plaintiff requests that the Court issue an arrest warrant *in rem* pursuant to Supplemental Rule G(3)(b), which the plaintiff will execute upon the defendant property pursuant to 28 U.S.C. § 1355(d) and Supplemental Rule G(3)(c).

### **Claim for Relief**

25. The plaintiff repeats and incorporates by reference the paragraphs above.

26. By the foregoing and other acts, the defendant property constitutes or was derived from proceeds traceable to specified unlawful activity, namely, wire fraud, committed in violation of Title 18, United States Code, Section 1343, and is therefore subject to forfeiture to the United States of America under Title 18, United States Code, Sections 981(a)(1)(C) and 984, with cross-references to Title 18, United States Code, Sections 1956(c)(7) and 1961(1).

WHEREFORE, the United States of America prays that a warrant of arrest for the defendant property, approximately \$106,000 in United States currency from Bank of America account ending in 5359, be issued; that due notice be given to all interested parties to appear and show cause why the forfeiture should not be decreed; that judgment declare the defendant property to be condemned and forfeited to the United States of America for disposition according to law; and that the United States of America be granted such other and further relief as this Court may deem just and equitable, together with the costs and disbursements of this action.

Dated at Milwaukee, Wisconsin, this 10<sup>th</sup> day of August, 2020.

Respectfully submitted,

MATTHEW D. KRUEGER  
United States Attorney

By:

s/SCOTT J. CAMPBELL  
SCOTT J. CAMPBELL  
Assistant United States Attorney  
Scott J. Campbell Bar Number: 1017721  
Attorney for Plaintiff  
Office of the United States Attorney  
Eastern District of Wisconsin  
517 East Wisconsin Avenue, Room 530  
Milwaukee, Wisconsin 53202  
Telephone: (414) 297-1700  
Fax: (414) 297-1738  
E-Mail: [scott.campbell@usdoj.gov](mailto:scott.campbell@usdoj.gov)

### **Verification**

I, Zachary Hoalcraft, hereby verify and declare under penalty of perjury that I am a Special Agent with the United States Secret Service in Milwaukee, Wisconsin, that I have read the foregoing Verified Complaint for Civil Forfeiture *in rem* and know the contents thereof, and that the factual matters contained in paragraphs 9 through 23 of the Verified Complaint are true to my own knowledge.

The sources of my knowledge are the official files and records of the United States, information supplied to me by other law enforcement officers, as well as my investigation of this case, together with others, as a Special Agent of the United States Secret Service.

I hereby verify and declare under penalty of perjury that the foregoing is true and correct.

Date: 08/10/2020

s/ZACHARY HOALCRAFT  
Zachary Hoalcraft  
Special Agent  
United States Secret Service

## CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

Place an "X" in the appropriate box: ☐ Green Bay Division ☒ Milwaukee Division

## I. (a) PLAINTIFFS

UNITED STATES OF AMERICA

(b) County of Residence of First Listed Plaintiff \_\_\_\_\_  
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

Scott J. Campbell, AUSA  
US Attorney's Office, #530 Federal Building  
517 E. Wisconsin Avenue, Milwaukee, WI 53202 (414-297-1700)

## DEFENDANTS

APPROXIMATELY \$106,000 IN UNITED STATES CURRENCY  
FROM BANK OF AMERICA ACCOUNT ENDING IN 5359

County of Residence of First Listed Defendant Milwaukee

(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF  
THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

## II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☒ 1 U.S. Government Plaintiff  
☐ 2 U.S. Government Defendant  
☐ 3 Federal Question (U.S. Government Not a Party)  
☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

## III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

	PTF	DEF		PTF	DEF
Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	<input type="checkbox"/> 4	<input type="checkbox"/> 4
Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6

## IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<b>PERSONAL INJURY</b> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <b>PERSONAL INJURY</b> <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <b>PERSONAL PROPERTY</b> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input checked="" type="checkbox"/> 690 Other <b>LABOR</b> <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act <b>IMMIGRATION</b> <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee (Prisoner Petition) <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <b>PROPERTY RIGHTS</b> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark <b>SOCIAL SECURITY</b> <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIW W (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) <b>FEDERAL TAX SUITS</b> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
<b>REAL PROPERTY</b> <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<b>CIVIL RIGHTS</b> <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education <b>PRISONER PETITIONS</b> <input type="checkbox"/> 510 Motions to Vacate Sentence <b>Habeas Corpus:</b> <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement			

## V. ORIGIN

(Place an "X" in One Box Only)

- ☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from another district (specify) ☐ 6 Multidistrict Litigation

## VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):  
18 USC §§ 981(a)(1)(C) and 984

Brief description of cause:

## VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$

CHECK YES only if demanded in complaint:

JURY DEMAND: ☐ Yes ☒ No

## VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE

SIGNATURE OF ATTORNEY OF RECORD

08/10/2020

s/SCOTT J. CAMPBELL

FOR OFFICE USE ONLY

RECEIPT #

AMOUNT

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APPLYING

JUDGE

MAILED

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF WISCONSIN  
AT LAW AND IN ADMIRALTY

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UNITED STATES OF AMERICA,

Plaintiff,

v.

Case No.

APPROXIMATELY \$106,000 IN UNITED  
STATES CURRENCY FROM BANK OF  
AMERICA ACCOUNT ENDING IN 5359,

Defendant.

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**WARRANT FOR ARREST IN REM**

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To: THE UNITED STATES SECRET SERVICE  
Eastern District of Wisconsin

WHEREAS, a Verified Complaint for Civil Forfeiture *in rem* was filed on the 10<sup>th</sup> day of August, 2020, by the United States Attorney for the Eastern District of Wisconsin, which seeks the forfeiture of the above-named defendant property pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 984, and which prays that process issue to enforce the forfeiture and to give notice to all interested parties to appear before the court and show cause why the forfeiture should not be decreed; and due proceedings being had, that the defendant property be condemned and forfeited to the use of the United States of America.

YOU ARE THEREFORE HEREBY COMMANDED to attach and arrest the defendant property, approximately \$106,000 in United States currency from Bank of America account ending in 5359, which is presently in the custody of the United States Secret Service, and to detain the same until further order of this Court.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2020, at Milwaukee, Wisconsin.

GINA COLLETTI  
Clerk of Court

By:

\_\_\_\_\_  
Deputy Clerk

**Return**

This warrant was received and executed with the arrest of the above-named defendant.

Date warrant received: \_\_\_\_\_

Date warrant executed: \_\_\_\_\_

Name and title of arresting officer: \_\_\_\_\_

Signature of arresting officer: \_\_\_\_\_

Date: \_\_\_\_\_